

**Analysis and Summary of Small Cities
Community Development Block Grant (CDBG) Program
Allocation Plan**

Joint Hearing of Committees on Appropriations, Commerce, and
Housing

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OFFICE OF FISCAL ANALYSIS

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Introduction

The Small Cities Community Development Block Grant (CDBG) is administered by the United States Department of Housing and Urban Development (HUD). The primary objective of the program is to develop viable communities by providing support for decent housing and a suitable living environment, principally for persons of low- and moderate-income.

At the state level, the Department of Housing (DOH) will administer the funds provided through the Small Cities CDBG Program.

Federal Allocation Process

The Housing and Community Development Act of 1974 (HCD Act), as amended in 1981, allows each State the opportunity to administer CDBG funds for non-entitlement areas. Non-entitlement areas include those units of general local government which do not receive CDBG funds directly from HUD as part of the entitlement program (Entitlement Cities and Urban Counties). Funds are allocated to states based on a formula, which takes into account population, poverty, incidence of overcrowded housing, age of housing, and growth lag factors. Connecticut's federal fiscal year (FFY) 15 allocation is estimated at \$11,990,905. FFY 13 – FFY 15 allocations are identified in the table below:

Table 1: Allocation of Funds

Available Funding	FFY 13 (Estimated)	FFY 14 (Estimated)	FFY 15 (Proposed)
Federal Allocation	12,017,705	11,958,150	11,990,905
Uncommitted from Previous Year	-	109,897	-
Recaptured Funds	402,723	841,853	200,000
Reprogrammed Technical Assistance Funds from Previous Year ¹	-	400,000	-
Subtotal Available	12,420,428	13,309,900	12,190,905
Administrative Expenses ²	(460,531)	(458,744)	(459,400)
Total Available for Projects³	11,959,897	12,851,155	11,731,505
Committed Funds	11,850,000	12,851,155	-
Uncommitted Program Balance Available for Carry Forward	109,897	-	-

¹States may use up to 1% of the allocation to provide technical assistance to local governments and nonprofit organizations, for community development activities.

²States are required to match administrative costs in excess of \$100,000. The FY 15 DOH budget includes Personal Services funding of \$239,163 to support Small Cities. See Appendix B for further details.

³The list of FFY 13 and FFY 14 program awards by town are provided in Appendix C and Appendix D.

State Allocation Process

DOH will administer the program through a competitive application process for most activities.¹ Eligible activities include: housing, public services, public facilities, economic development, and planning. Additional allocation requirements include:

1. Funds must be expended in any municipality except Connecticut's 22 entitlement cities, which are those which receive CDBG funds directly from HUD (see Appendix A);
2. At least 70% of funds must be used for activities that benefit low-and moderate-income persons, over one, two, or three consecutive program years;
3. Funds must support at least one of the following three major program categories: 1) Benefit low and moderate-income families, 2) Prevent or eliminate slums or blight, and 3) Meet other urgent community development needs;
4. Grant funds can support administrative costs up to \$100,000, plus 50% of costs in excess of \$100,000, up to 3% of the annual grant (inclusive of the 1% for Technical Assistance);
5. Planning and administration expenditures cannot exceed 20% of the Small Cities CDBG grant.

¹Urgent Need and Section 108 activities will be accepted on a "first come first serve" basis.

Appendix A: CDBG Entitlement Communities

CDBG Entitlement Communities, as listed below, are not eligible for state administered Small Cities CDBG funds.

Bridgeport	Milford (Town)
Bristol	New Britain
Danbury	New Haven
East Hartford	New London
Fairfield	Norwalk
Greenwich	Norwich
Hamden (Town)	Stamford
Hartford	Stratford
Manchester	Waterbury
Meriden	West Hartford
Middletown	West Haven

Appendix B: Administrative Funding

Available Funding	FFY 13 (Actual \$)	FFY 14 (Estimated \$)	FFY 15 (Proposed \$)
Carry Forward from Previous Year	684,211	894,265	1,108,785
Admin Allocation	340,354	339,163	339,818
Technical Assistance Allocation	120,177	119,582	119,582
General Fund Match	240,354	239,163	239,163
Subtotal Available	1,385,096	1,592,173	1,807,349
Expenditures			
Personnel & Fringe	478,651	457,538	471,000
Other Expenses	12,180	25,850	27,143
Subtotal Expenditures	490,831	483,388	498,143
Balance (Carry Forward to Following Year)	894,265	1,108,785	1,309,206

Appendix C: FFY 13 Committed Funds

Town	Project Description	Amount \$
Ansonia	Housing Rehabilitation	400,000
Ashford	Housing Rehabilitation	400,000
Beacon Falls	Housing Rehabilitation	400,000
Brookfield	Housing Rehabilitation	400,000
Canterbury	Housing Rehabilitation	400,000
East Hampton	Public Housing Modernization	800,000
Ellington	Housing Rehabilitation	450,000
Groton	Housing Rehabilitation	400,000
Hampton	Housing Rehabilitation	450,000
Killingly	Public Housing Modernization	750,000
Lebanon	Housing Rehabilitation	400,000
Ledyard	Housing Rehabilitation	300,000
Naugatuck Borough	Housing Rehabilitation	400,000
New Fairfield	Housing Rehabilitation	400,000
Plainfield	Housing Rehabilitation	400,000
Putnam	Housing Rehabilitation	400,000
Roxbury	Housing Rehabilitation	400,000
Salisbury	Housing Rehabilitation	600,000
Southbury	Housing Rehabilitation	400,000
Sprague	Street Improvement Baltic	500,000
Thompson	Public Housing Modernization	800,000
Torrington	Housing Rehabilitation	400,000
Vernon	Housing Rehabilitation	400,000
Waterford	Housing Rehabilitation	400,000
Windham	Housing Rehabilitation	400,000
Woodstock	Housing Rehabilitation	400,000
TOTAL		11,850,000

Appendix D: FFY 14 Committed Funds

Town	Project Description	Amount \$
Bethlehem	Town Wide Housing Rehabilitation	400,000
Branford	Parkside Village Senior Housing	448,500
Coventry	Housing Rehabilitation (Columbia)	500,000
Derby	Housing Rehabilitation	400,000
East Haddam	Oak Terrace Senior Housing Rehabilitation	791,210
Franklin	Housing Rehabilitation	400,000
Griswold	McCluggage Manor Senior Housing Rehabilitation	800,000
Groton	Pequot Village Rehabilitation	800,000
Hampton	Hampton Regional Housing Rehabilitation	400,000
Killingly	Housing Rehabilitation	400,000
Newington	Cedar Village Senior Housing Rehabilitation	800,000
North Stonington	Housing Rehabilitation	400,000
Oxford	Housing Rehabilitation	400,000
Preston	Lincoln Park Elderly Housing Rehabilitation	800,000
Salem	Housing Rehabilitation	400,000
Seymour	Housing Rehabilitation	400,000
Sprague	Street and Sidewalk: First, Second, Third Avenues	500,000
Stafford	Housing Rehabilitation	400,000
Suffield	Suffield Housing Authority	800,000
Thomaston	Grove Manor Senior Housing Rehabilitation	611,445
Thompson	Gladys Green/Pineview Court Rehabilitation	800,000
Torrington	Housing Rehabilitation	400,000
Windham	Windham Housing Rehabilitation	400,000
Windsor	Housing Rehabilitation	400,000
TOTAL		12,851,155